

Integrated Marketing Communication and the Developing
Marketing Technologies for Small Business

An Honors Thesis (HONR 499)

By

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A handwritten signature in black ink that reads "Dr. Gail Stautamoyer". The signature is written in a cursive style with a large, stylized "S" for the last name.

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Abstract

Small businesses are considered the backbone of the American economy. Every year small business owners struggle with marketing their business and 80% fail within two years (Anderson). With intense competition in every industry, one of the main reasons small businesses fail is the lack of planning and preparation, particularly with marketing, advertising, and social media. Often, small businesses neglect planning for these important decision areas when starting their business, which can then lead to failure. A new marketing practice known as Integrated Marketing Communication (IMC) is a widely used strategic planning tool for communication decisions in small businesses. The IMC model is based on the principle that all forms of marketing and communication, including advertising, sales promotion, and social media, should have the same voice and same objective in order to be effective. In this thesis, I will analyze the various aspects of IMC, including advertising, social media, and other developing marketing techniques, from a small business's perspective. In doing so, I will provide an overview of marketing and communication strategies relevant for small businesses to improve their marketing and communication activities to build brand equity and market share.

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Introduction

When starting a business, the business owner must deal with many responsibilities. They need to find the financials and capital to get the business started and bring in the inventory if it is product based or get the assets necessary to provide a service. They also need to ensure operations are in order which may include hiring and training employees and finding a location for the business. If they are the only one responsible, the small business owner will face a lot of stress and responsibilities. But when it comes to success, there are a few key aspects that separate people who are successful and those who fail. Looking at the intangibles, if the business owner is passionate, motivated, and driven, they have the necessary individual characteristics to be successful. But even if the small business owner is the hardest worker in the nation, not having a plan will lead to disaster when it comes to starting a business. Even if the financials are set, the business has a location and operations in order, and the owner has all the intangibles needed to be successful, the business will still fail if they do not get customers in the door. In a country where small businesses are constantly closing their doors, it is important as ever to have a plan when it comes to marketing and communication. Not having one could mean all that hard work and investment will go for not. What small businesses today need to realize, with competition being higher than ever, is that marketing, advertising, and social media cannot be neglected when starting a business. Contrary to many people's beliefs, it should be a major concern and focus. And with technology advancement, marketing and communication practices are now allowing the little guys to have a bigger market presence at prices cheaper than ever before. First by analyzing Integrated Marketing Communication (IMC), then by exploring the various forms of advertising, and finally looking at social media and other marketing techniques, it is my goal to

provide an analysis of marketing and communication strategies for any small business to be competitive in the marketplace.

INTEGRATED MARKETING COMMUNICATION (IMC)

Introduction to IMC

Goal of IMC for Small Business. Over the past decade, marketing has changed dramatically and now a comprehensive strategy with a focus on communication, known as Integrated Marketing Communication (IMC), is becoming more popular in small businesses. Combining many marketing facets such as general advertising, direct response, sales promotion, and public relations, businesses utilizing the IMC model now focus on providing clarity and consistency in order to maximize communication's impact. The basic goal of IMC, when applied to the small business, is to assist consumer information processing by having consistency across all forms of communication and marketing activities.

Definitions and Dimensions of IMC. IMC has conflicting definitions and dimensions depending on the source; however, three widely cited studies are used to understand the major dimensions of IMC for a small business. First, Cathey and Schumann (1996), identify IMC as the integration of messages and media, with an audience orientation, followed by an assessment of impact. Similarly, Nowak and Phelps (1994) narrowed IMC to the three themes of one voice, integration, and coordination in marketing communication. Finally, Phelps and Johnson (1996), listed five factors of IMC, including one-voice, coordinated marketing communication, direct marketing, response goals, and increased responsibility (Lee). When looking at the three definitions, the underlying strategy of IMC is to have consistency in marketing and communication efforts while keeping the final consumer in mind.

IMC as Relationship Marketing. Integrated Marketing Communication is also known as relationship marketing, which is based on the idea of engaging a specific individual, or target market, by using a specific message through specific media outlets. For a small business, the media outlets would include internet, newspaper, radio, television, and social media. From a small business's perspective, the ultimate goal, when implementing an IMC strategy, is building a long-term relationship with its target market. In order to build the long term relationship, an interactive, or two-way, exchange of information must occur between the target audience and business. By building customer relationships, the small business's effort will lead to repeat business and positive word of mouth from the customer.

Evolution and Concepts behind IMC. Before IMC became popular, businesses often used their promotion budget on large mass media advertising with a generalized message to a large audience. What separates IMC from mass media is the focus on alternative and promotional media to ensure that the audience remembers the message. When using the IMC strategy, all messages present an individualized form of communication to a small target audience. This individualized message should be in a language the audience can relate to and understand and also be in a media that is familiar. Following the IMC model, when businesses begin to use various forms of advertising media, "simultaneous media exposure" from the media as a whole will gauge consumer interest and attention more effectively than if the individual platforms were used on their own (Tellis). For example, one source of stimulation will naturally evoke consumers to look for more information from another media source; if interest is attained, each source will work in the foreground or background of the consumer's attention.

The Closed Loop IMC Model and Suicide Spiral. In markets that are characterized with uncertainty, a closed loop IMC model is appropriate for the small business. Similar to the

regular model, the closed loop model focuses on market penetration, which complements IMC's narrow target market strategy. But one of the principles behind the closed loop system contradicts many small business owners' beliefs. Naturally, businesses often decrease spending on marketing and advertising when sales decline. In contrast, the closed loop model states that as brand share drops, managers should spend more on IMC activities. What the closed loop system recognizes is that minimizing marketing spending when sales decrease initiates the "suicide spiral" (Tellis). When sales decrease with a drop in market share, the business usually decreases spending on IMC activities, which leads to lower sales. This process continues until the company is out of business.

Target Markets

Defining the Target Market. One of the key principles behind the IMC model is identifying and satisfying customer needs. In order to identify customer needs, the entrepreneur must obtain "the voice of the consumer" (Crane). By actively engaging in dialogue, small businesses gain a first-hand understanding of their customers. Once the business owner understands the customers' needs, the business must find a satisfying solution. Customers must perceive and value the solution and understand how their needs are addressed. Through market segmentation, the entrepreneur can break down a market into concentrated niches; from there, the business will choose the arena that is the most attractive and profitable and focus their marketing offering, or marketing mix, on satisfying this customer base's needs. The specific arena or customer base is known as the target market.

Understanding the Marketplace. When attempting to reach the target market, too extensive of marketing and communication efforts becomes ineffective. For the small business, the IMC plan is narrowly focused on the target market, marketing communications mix, and its

components, including advertising, sales promotion, public relations, the internet, and direct marketing. However with a new small business, several marketing opportunities need to be evaluated in order to determine the viability of entering a target market. First, the business owner should establish whether or not the market is profitable. When analyzing the market's profit potential, important factors include market size, growth rate, barriers of entry, costs of entry, and competition. Another consideration is whether the potential market is a "red ocean" or "blue ocean". A red ocean is an established marketplace characterized by high competition with the goal of outperforming rivals in order to steal market share. In contrast, the blue ocean is a new market space where demand is created with minimum competitive forces (Crane). Ideally, a company wants to enter a blue ocean market; however, very few small businesses are in blue ocean markets because it requires new value and innovation.

The Small Business Creative Strategy. When attempting to reach the target market, an integral component of the marketing communications process is the creative strategy. Through market research, the small business can identify the goals or objectives of their target market. After the small business understands the target market's needs, goals, and objectives, a creative strategy can then be developed to reach solutions. The creative strategy should focus on solutions that define the company visually and verbally within multiple media sources without losing substance or focus.

Small Business- Product Impact

Small Business Marketing- Product vs. Service. As a small business, marketing practices are different when compared to corporations and developed companies. New businesses often use marketing to identify new products, services, opportunities and customers. Marketing helps to build the new brand. As the business begins to grow, marketing tools are

tactics used to establish effective channels and determine the pricing strategy for products or services. But the small business must be creative considering the limited capital. There are also major marketing mix elements the owner must consider, which depend on whether the business is product or service-based. For small businesses selling a tangible, physical product, the marketing mix should focus on product, price, promotion, place, and people. If the business provides an intangible service, there will also be a focus on the physical evidence, process, and productivity (Crane).

Product Impact on Marketing Strategy. For a small business, the product or service the firm sells will dictate the product strategies. For example, most online purchases require little concentration and low involvement while some purchases require a more mental, emotional and high level of involvement. For low involvement purchases, online retailers in the past have been successful selling products such as CDs, books, travel bookings, and computer games. But as technology continues to develop, and based on past buying trends, consumer confidence will continue to build and buying more high involvement products and services, such as automobiles, may become commonplace in the future. Because of changing consumer confidence, small businesses may want to consider how to implement each marketing element within an e-commerce mix (product, price, promotion and distribution), and align it with their overall marketing objectives.

Small Business Relationships- Customers and Employees

The Market's Impact on the Customer Relationship. By developing relationships with the target market, a small business can achieve success. With the IMC model, several key relationships between the business and consumer must be considered. First, the small business must have unified communication with a consistent message and image. Across the business's

wide range of marketing schemes, there must be one voice that doesn't conflict with the other marketing sources. However, there still may be differentiated communication in the case of multiple target customer groups. For a small business that has various product lines and services, the product life cycle or consumer's progress through the cognitive, affective, and behavioral stages will affect the marketing mix. Also, the various niches within the target market may have different awareness, knowledge, beliefs, preferences, and convictions when it comes to their purchasing behavior.

Developing Effective Communication. Along with reaching potential customers, the small business must also be able to measure the effectiveness of their communication to attain tangible results. For example, looking at customer interaction online or having an increase in sales after a new product line or advertisement release may indicate which marketing techniques work well for the small business. Once the small business develops a customer base, building a long-term relationship with existing customers ensures repeat business and is a key principle of IMC. Building brand loyalty by developing positive relationships can also lead to positive word of mouth and enhance the profitability of the small business in the long run.

Understanding the Relationship. When looking at the client- agency relationship, it is important to understand that each side will have its own agenda when it comes to outcomes and needs. From a business's perspective, deviating from competitors by taking risks and being creative is imperative to perform above parity and gain attention amongst the high amount of competition. One goal that a small company can work towards is local awards and accolades. With these awards, the business will receive positive recognition and win more business. From the client's perspective, decisions are made on a conservative basis. Potential consumers do not risk high levels of investment unless they know the product or service will work and is worth the

investment. Even if customers perceive the value, the final judgment and decision may be based off the company's reputation.

Introduction to Social Intelligence. Another aspect of the customer-agency relationship is the business owner's personality. Whether the business owner is introverted or extroverted, a key to making long term relationships is understanding which people are the most important. In order to reach these people and build relationships, one key characteristic most successful small business owners have is high social intelligence. This does not mean that they have a high intellectual quotient (IQ). For decades, IQ has been tested with the SAT, ACT, GRE, and MAT. But as research has shown, none of these tests accurately predict success in business. In fact, research has shown that a person's IQ influences only 25 percent of their success (Kuzmeski). That is because IQ tests merely tap the individual's ability to follow directions, follow steps to arrive to the correct solution, and ability to memorize history, scientific data, and other facts and concepts (Kuzmeski).

Defining Social Intelligence. By definition, social intelligence covers the interpersonal part of emotional intelligence. People with high social intelligence cause action and reaction in every contact. Applying theories of social intelligence has proven to lead to better relationships, which leads to higher support and respect for the individual. Many of our great leaders can do one thing: get people to act. Regarding social intelligence and building long term relationships, successful connectors and businesspeople are identified as having the following traits. First, they develop an audience-oriented mindset, focusing on others' wants and needs. From a small business's perspective, having the audience or customer oriented mindset can build positive relationships which could bring more sales and profit for the business in the long run. Next, people with a high social intelligence listen. Being successful is not necessarily about being a

great speaker. Many people often fail to realize that communication is a two-way street. As a part of listening, the small business owner asks the important questions and gets others to do the work. But in order to be engaged in communication, the business owner needs to be active in the situation and let others help them learn. Great connectors also have the ability to get the sale to close itself. Because of the passion the connector demonstrates, buyers often fail to realize they are being sold to. Because a personable relationship is built, the great connector creates a memorable experience with the impact they leave on the customer (Kuzmeski).

Importance of the Employee Relationship. Another relationship the small business owner must consider is with the employees. Having a customer oriented mindset is just as important as having an employee oriented mindset. One company that has pioneered an employee oriented approach is HCL Technologies Ltd. By providing a unique employee environment, inverted organizational structure, while also creating transparency and accountability within the organization that encourages a value-driven culture, the company has been successful in annual revenues (Kuzmeski). HCL's employee relationship approach contradicts typical organizational control structures because of the focus on collaboration and teamwork. By implementing a level of collaboration, employees that work for the company feel included in the process and perceive themselves as more than a disposable worker. Thus, the employees work with a purpose and put pride into their work, leading to a more efficient and effective organization.

The Small Business External Environment

The Five Environmental Forces. When analyzing the market and competition, small business must keep environmental forces in mind. The five uncontrollable environmental forces include: social, economic, technological, competitive and regulatory. Social forces consider the

changing attitudes and beliefs of the marketplace. In the food industry, restaurants today must be weary of the trend towards healthier diets. Another environmental force, economic, is the nature of the economy. For example, in 2008 the United State went through a recession that caused the housing market to collapse. Across industries, the economic factor also had a devastating impact. Technological forces have a greater effect on certain trades. For manufacturers or technology companies, having the newest equipment, software, and capabilities can create a competitive and learning curve advantage. Another environmental factor that the small business must constantly focus on is competition. For a small business, having an understanding of the competition can be just as important as understanding the customers. Finally, regulatory forces can have a major impact on small businesses. In the energy and oil industry, new bills and legislation can have major effects on a corporation's revenues and business strategy.

Environmental Scanning and Positioning. When dealing with external factors, certain practices can give the small business a competitive advantage. Environmental scanning is a way the small business can discover optimal opportunities in the external environment. By examining trends and talking to customers to determine their needs, small businesses can pinpoint the new opportunities for their business to pursue. Within a target market, a small business can also create a competitive advantage through positioning. In order to position the small business, the company will either perform activities differently than rivals through direct competition or perform different activities from rivals through differentiation. When developing the positioning strategy, the small business must connect their intended position to the unique desired benefits of the target market.

Importance of the Internet. With the development of IMC, the internet has developed into a major communication tool. Today, the internet is a tool every small business should utilize. This electronic medium allows telecommunication, broadcast, digital TV, and computing to all converge into one source. As a result, all businesses now have a flexible, quick, and low cost form of exchanging information through the marketing channels. More importantly, this information is getting to the customer faster than ever. For some companies, such as Amazon, the internet has become the entirety of their business. Overall, the internet has become an indispensable tool for any business and as it continues to grow and technology continues to improve, this medium could potentially reach the point that it threatens brick-and-mortar business market share.

The Internet- Pros and Cons. One key feature of internet that benefits the small business is the interactivity that it provides. From the customer's perspective, they have the ability to find information about the products and services they wish to receive along with prices. From the retailer's perspective, businesses can make a sale and get information including credit card numbers, email addresses, shipping addresses, personal preferences and purchase histories. With the rapid development of e-commerce, problems with e-distribution management can also affect a business. E-commerce is a low cost platform of selling that adds another dimension to any small business. In the past, firms relied heavily on sales within their stores, could easily keep track of inventory. Depending on the overall strategy, inventory management and online sales can be a big aspect and building block for a business's growth and success. For a small business involved in e-commerce, effective management of distribution channels allows several advantages over competition. Along with the impact of new and improving technology, reduced

transportation costs, delivery times and prices for IT systems across all facets of the distribution process have made effective channel management a key competitive advantage for many small businesses.

IMC Marketing Plan Development

Importance of the Marketing Plan. In the United States, 80% of small to medium-sized businesses fail within two years and 90% within ten years. With this high failure rate, it is integral to have a marketing plan in order to succeed (Anderson). Regrettably, many small businesses don't have a marketing plan. For a small business, the components of the marketing plan should include the following: a mission statement, SWOT analysis, specific goals and strategies for each product line, specific tactics, plan to make marketing a part of the company's culture, performance measures and a modification process (Anderson). Without adequate planning, it is nearly impossible to construct a successful marketing plan.

Developing the Marketing Plan- Goals, Strategies and Tactics. In the business world, small business owners often put opinions ahead of the facts. When starting the marketing plan, the small business owner must assess the company's present position by considering the business's mission, financial situation, competitive atmosphere, and the target market the company wished to serve. From there, the planning process can evolve into the marketing plan. Along with extensive planning, the small business should also develop goals, strategies, and tactics. Creating specific, aggressive, yet attainable goals allows the new business to measure progress and pursue success. Once the goals are developed, small business owners should create strategies which are the "how" of achieving their goals (Anderson). Typically, marketing strategies include manipulating the price, product, place and promotions. Tactics are the "tools" used throughout the implementation of the marketing plan (Anderson). Tools include the various

marketing media sources, advertising materials, and promotions the small business chooses to use as a part of their promotion mix. As the business develops a better understanding of these three steps of the marketing plan, the goals will become more specific. As the company continues to develop, the business owner will have various goals, strategies and tactics for the financial and cultural aspects of their business as well. When considering financial goals, the business owner should expect to make a profit. When looking at cultural goals, a family factor is introduced, as the small business owner must ask themselves how many hours a week they are willing to work and how their business will influence personal life.

Impact of Competition. Another aspect the small business owner must consider when developing their marketing plan is competition. Competition is one of the most basic elements of business and a small business's ability to compete effectively can dictate success. To compete effectively, the small business must identify the major, direct competitors and develop a plan to exploit their weaknesses. The first step is identifying the type of competition the business will be face in the market. If the competition has products or services that are similar, the small business is competing in a "commodity" market (Anderson). Other competitors may also have dissimilar products, but still compete for the same sales. For example, the entertainment market includes movie theaters, amusement parks, and bookstores. It is important to understand the competitors' market segmentation. If two businesses are in the same industry, their target markets may be different and the two businesses can still coexist. Once the small business owner has identified competitors that are vying for the same market share, the small business should do an analysis on each competitor. This analysis should include the competitor's strengths, position in the product cycle, and growth over the past decade. Once the business understands its competition, the small

business will gain a better perspective of their strengths and weaknesses and how to convert those strengths into opportunities and minimize weaknesses.

Introduction to the Action Plan. Upon completion of the marketing plan, the small business owner must develop an action plan to implement the specific goals of the firm. Having specific steps with scheduled beginning and end times along with performance measures are the first steps toward success. But since the future is unpredictable, and there will be deviations from the plan, changes need to be made to the marketing strategy. But when making changes the target market's needs should be kept in mind so that the changes don't broaden the narrow target market scope. Having a narrow target market concentration ensures the company's resources go to good use.

Intangibles of Success

Importance of Hard Work. Aside from the tips and advice, a key to success is hard work. A *Fortune* article in 2006 stated that all successful business owners work hard, have good teamwork skills, and do whatever it takes to be great. They wake up early and go home late, typically only getting four to six hours of sleep. Instead of working as a group of individuals, their team works as a unit (Kuzmeski). For example, Fred Smith, founder of FedEx, credits his success to his two tours in Vietnam. As he states, "I think I came up with a very, very different perspective than most people that end up in senior management positions about what people who wear blue collars think about things and how they react to things, and what you should do to try to be fair" (Kuzmeski).

Managing the Small Business. Depending on the size of the business, small business owners may have problems with time management. For a new business, the owner may be in charge of all of the various functions and feel they don't have time to build relationships or

market the business. Considered as the father of modern PR, Ivy Ledbetter Lee developed a four step system to help business owners and managers become more productive with their time (Kuzmeski). First, the person must make a list of the most important tasks that have to be done the next day. Next, they should arrange the tasks in order of importance; the next day, work on the most important task until it's completed. After one task is completed, the owner or manager should move to the next task in priority order. Following Lee's four step system remains sound advice for managing time, even a century later (Kuzmeski).

ADVERTISING AND SALES PROMOTION

Advertising

Introduction to Advertising. A major aspect of the IMC model is advertising. From the small business's perspective, understanding which advertisements work best for the company allows the business to be more effective with their marketing plan. One key result found in research, which is valuable for any business, is that advertising works immediately. When a business introduces a new form of advertising, the method will likely not work if results do not occur in the short term (Tellis). A small business is more likely to see results when it uses a variety of methods. For example, changing the media, copy, product, segments or scheduling will likely be more effective than increasing the weight or number of markets for the advertisement.

Newspaper Advertising. In order to make the best advertising decisions, the small business owner must understand the options available. Newspaper advertising is the most recognized form of local advertising and can be important for the small business when it comes to sales promotion. Considering many local businesses use the newspaper, the advertisement should have characteristics that get the reader's attention. Headlines such as "Buy Now," "50%

Off,” and “While Quantities Last” are common for product oriented retailers (Blakeman).

Because most people read the newspaper for the news and advertising, the advertisement must also inspire the potential consumer to pursue the product or service. In retail communication, the prominent role of advertising is to generate store traffic and increase sales. Thus, having a description of the product, a price, and a sense of urgency can ensure that the advertisement is effective in meeting its goal. However, newspaper is considered mass media, and between the clutter and short life span, a startup business can have difficulty making an impression and competing with companies that have developed a loyal following.

Radio Advertising. Another form of advertising is radio. As a verbal medium, radio is the ultimate strategic use of the target market’s imagination. For the small business, radio can be a great primary advertising vehicle when building brand awareness. By delivering simple, low-cost messages, which can be produced in a few days, radio is ideal for a small business that’s rapidly growing and changing. Unlike other forms of advertising, if a shift in consumer preferences or a change in the company’s strategy occurs, changes can be made to a previous radio advertisement or a new message can be developed to fit the business’s new identity. One problem that arises with radio is gaining the attention of the inattentive mind; typically the best way to do this is to make the advertisement as interactive as possible. The advertisements remembered have some type of attention getter or engage the audience to perform an activity such as singing, humming, or clapping along to a jingle. Yet, radio is slowly declining in reach as new technology is reducing advertising exposure opportunities.

Television Advertising. Though expensive, television advertising provides a mass media vehicle to reach a target audience, build awareness, and develop an image. Because of its back-to-back nature, getting the attention of any consumer requires the advertisement to be

entertaining and useful. Because commercials are more expensive, the key benefit of the product or service and the project strategy should be reinforced every time. For a small business, the cost factor must be weighed against the benefit of the mass media's audience exposure. Typical small businesses that use television include car dealerships, insurance companies, and small boutiques. Often, television advertising will be industry based and a small business's decision to use television will be a direct response to their competition.

Sales Promotion

Introduction to Sales Promotion. Along with advertising, understanding sales promotion can lead to success. As opposed to advertising, which tells the consumer why they should buy, sales promotion gives the target customer an incentive to react to an advertised message. Coupons, premiums, rebates, and percent off promotions can all help generate sales and consumer interest, which can evolve into long term customer relationships. Sales promotion, by attracting first-time buyers, typically leads to impulse buys and can cause consumers to switch to or from a competitor's brand. For small business, the low prices of a new product may warrant consumer's interest and loyalty, especially if the product or service provides higher quality and unique, valued set of benefits. What also separates sales promotion from advertising and direct marketing is the intent to bring the target to the product making sales promotion a great interactive device.

Considerations for Advertising and Sales Promotion

Frequency of Exposure- "Wearin" and "Wearout". Another key consideration the small business must make with advertising is how often the advertisement appears in the newspaper, heard on the radio, or aired on television. Research has found that a high frequency of advertisements often leads to an increased probability of sales. However, the increase in sales

slowly decreases in growth rate with more advertising exposures. Once the small business develops and builds brand awareness, the optimum level of exposure per week ranges from one to three (Tellis). For any business, there is also a point where too much advertising becomes a bad thing. For this phenomenon, “wearin” and “wearout” are used to describe opposing effects (Tellis). “wearin” states that as advertisement exposure increases, so does advertisement response. In contrast, “wearout” states that advertisement response decreases with increased exposure. What researchers have found is “wearin” does not occur or rather occurs very slowly. “wearin” can also happen if the amount of advertisements is controlled. In this situation, the exposures are scheduled apart, attention is not forced, and an emotional appeal is made. Eventually all advertising campaigns will eventually “wearout” over time (Tellis).

Impact of Creativity. When dealing with the creativity and impact of an advertisement, the following statement can be made: “creative advertisements are those that by maintaining coherent relationships between the internal components of surprise-regularity—while sustaining their constructive tension—are more effective at achieving their external goal than others, and are therefore more relevant to the consumers” (Tellis, 294). From a creativity standpoint, businesses want to create advertisements that will spark conversation or cause a consumer to share the post on social media, which extends the reach and adds an implicit consumer endorsement of the company. From a small business’s perspective, having a strong foundation in online advertising can be a cost effective way to spread awareness because of the internet’s sharing and reposting potential. In order to get this attention, the advertisement typically has some form of sex appeal, surprise, entertainment, or humor in order to make an impact.

Introduction to Word of Mouth (WOM). Yet, taking a strictly digital approach eliminates the power of word of mouth (WOM), which is considered by McKinsey & Co. as “the

most disruptive force in marketing” (Keller). On average, the American consumer engages in conversations about ten brands a day; on average, nine of these conversations take place offline (Keller). Research also indicates that advertising and WOM have a strong impact and work together in creating sales. Across several industries, around twenty-five percent of word of mouth is influenced by advertising, which translates into more than 3.8 billion instances every week that Americans are exposed to brands through WOM conversations (Keller). This phenomenon is referred to as “Social Voice”. What researchers have found is that a significant percentage- 10 to 54%- of marketing’s impact is due to this Social Voice (Keller). Simply, marketing relies on WOM, which the small business should take into consideration when developing their marketing plan and marketing mix.

SOCIAL MEDIA

Social Media for Small Business

Introduction to Social Media. Because of developing technology, social media has become a major aspect of the IMC model. With the development of social media, companies can improve their reputation, research market perceptions through word of mouth, and influence key opinion leaders and target markets online. “Social media initiates innovation with communication technology platforms that enable knowledge sharing, digital storytelling, collaboration, and relationship building among a community of common interests and needs” (Al-Deen, 85). Because social media is one of the fastest growing forms of marketing today, not using this marketing platform presents small businesses with the risk of missing an opportunity.

Analyzing Social Media. When deciding if social media is right for a company, the small business owner should analyze their customer’s wants and needs. The small business’s objectives and target market’s wants and needs might show that developing a social media

account would be a waste of time and effort. Some key questions the small business owner should consider include: Am I trying to increase awareness? Build customer loyalty? Increase sales? When determining which social media source is right for the company, the small business should understand what outlets are used by the target market. On Facebook, there may already be a location developed by users, which the small business can claim. On the location page, the small business owner will have the ability to view how many users like the business and how many are talking about it. For Twitter, conducting a basic search of the company's name or domain address can indicate the amount of interest users have in the company.

Relationship Marketing

Importance of Relationship Marketing. One of the biggest benefits of social media is the ability to interact and build relationships with users. Known as relationship marketing, researchers have found that consumers often develop relationships with brands that “satisfy one or more key self-definitional needs” (Al-Deen). In the service industry, developing a relationship between the consumer and brand is even more important because businesses are attempting to sell an intangible good. Overall, companies should develop relationships where the consumers perceive that a long term relationship will provide mutual benefits between the consumer and agency.

The Reactive Relationship. In a content analysis using Twitter, which included a small sample of NBA teams, researchers found that the most frequently occurring relationship level with relationship marketing was reactive (Al-Deen). For instance, consumers that are familiar with a brand and follow that brand would react to a message by following a link to an external website or take part in a conversation using hashtags. With hashtags, businesses can categorize brands and discussions to gain feedback and customer perspective through Twitter. In the past,

businesses would have used focus groups or surveys to obtain specific feedback and perceptions. Now companies have the ability to conduct marketing research with minimal cost through a reactive relationship on social media.

Making Social Media Effective- Tips and Advice

Improving Online Presence. With social media, there are several tips and pieces of advice the small business owner can follow to improve online presence. One piece of advice is to start with one social media network and master it. When considering which site is the right fit for the business, the best social media platform may not be the easiest to learn. If the small business owner is looking for sourcing leads or like-minded business owners to consult with, LinkedIn is the best choice. Twitter works well for professional service businesses while Facebook can be beneficial for companies in the retail or hospitality sectors. Also, businesses that appeal to the female demographic may find the most success on Pinterest. Once a decision is made, having specific goals when developing the social media presence is critical. Small businesses owners must also realize it takes typically at least six months to see the results of social media involvement (Casserly). Ultimately, having a social media presence should be about long term success, building relationships, and increasing brand awareness.

Social Media as a Visual Element. With social media, there is a strong visual element small business owners must consider when managing their platform. By posting and updating photos consistently, except for the profile picture, users develop a better understanding of the business's environment, products, and culture. With all pictures, videos, or links that are posted, a description, caption, or comment should be included. Social media allows consumers to learn about brands, so the information that is provided should range from sales notices to the company mission. Social media also enables business owners to speak directly with consumers to develop

a stronger understanding of their needs. This direct relationship with the customer allows the small business to adapt quicker and make changes to meet their market's needs.

Timeliness of Social Media. When interacting on social media, the small business owner must be precise, careful and timely in response to users. Timeliness in response, even by stating the company will look into a problem, is better than letting negative situations remain unaddressed. When a small business faces a negative customer response, the first step is apologizing. Inform the user the company will investigate the complaint and list the steps taken to assure that the problem will not happen again. Along with an apology, offering a discount can help prevent the business from losing the dissatisfied customer. In turn, the customer's word of mouth will not affect the business.

Social Media Rules- 80/20 and the "Human Touch". Having a successful social media presence can be achieved by following some basic rules. One rule that most businesses break is the 80/20 rule. The 80/20 rule suggests that businesses will have the most success when content is about customers eighty percent of the time, while saving the other twenty percent for news about the business (Casserly). With social media, the business wants to post content that interests the customers, addresses their needs, and provides new solutions to their problems. Having a human touch with social media can also make the online presence more relatable and attractive to potential users. By including information in the "About" section or identifying the individual running the site, the small business can add this human element. Another important rule is to remember that social media should be used to communicate rather than sell. The small business should post information that reminds the users the small business consists of humans with intricacies and interests. To show the human element, posts that share the company's or relatable

interesting subjects can build user interest and attract followers as long as the company avoids taboo subjects, such as politics, religion and money.

Facebook and Twitter

Introduction to Facebook. Though it is important for small businesses to understand social media in general, it is also important to understand specific social media platforms. Facebook is known as one of the best social media platforms to increase an online presence. On Facebook, a small business can establish a presence in the target market by posting relevant information such as contact details, hours, website addresses, and company news. One advantage that Facebook provides is the ability to add new content on a consistent basis, which entices users to return to the page more often. On Facebook, one of the primary goals is to get users to like the business's page, which spreads brand awareness. When posting, the business owner must remember that Facebook, like all social media platforms, is used to socialize and not sell. Posts should include rewards, tips, discounts, giveaways, and coupons. The small business owner can also share humorous pictures and links as long as it relates to the business. Having the human element can build goodwill because posts are highly sharable. The small business will have one more way to get the brand out to potential consumers. Once the small business owner develops a Facebook account, it is an ongoing commitment.

Introduction to Twitter. With a 140 character limit, Twitter requires users to communicate concisely. Twitter provides a quick and efficient way to broadcast immediately what a business is doing or plans to do. Similar to Facebook, by customizing the account with the business logo, photos, and a link to the business's website are important. Also just like Facebook, overselling on Twitter can lead to "unfollows". A small business should include relevant material and information about the company or new products. When tweeting, reserve

the post to around 100 characters. According to Shea Bennet, co-editor of AllTwitter.com, this will allow users to “retweet” the post and add their own comments or links (Duffy).

Combining Platforms- TweetDeck and Hootsuite. Once the small business has mastered Facebook and Twitter, certain media platforms like TweetDeck and Hootsuite provide the opportunity to manage Facebook and Twitter in one location. However, still making minor changes to the wording for the various media sources will make the small business seem more advanced. Also, consistency in communication is still needed across all platforms, which means that all posts on the various sites should reflect the business’s overall marketing plan. A small business owner can improve its social media presence also by promoting the social media sources outside of the internet in emails, letters, and blogs.

Disadvantages of Social Media

Impact of Employees. Along with the many opportunities associated with social media, there are also potential pitfalls and threats. In the past, employees have affected the reputation of a company through social media use. For example, if an employee makes obscene gestures and is wearing the company’s shirt, there could be negative implications. A small business owner must also be wary of the employees that have access to the social media platforms; sometimes, posts can be made out of anger or to vent emotions. For instance, earlier this year, Ball State’s Student Government Association (SGA) President made some upsetting statements over Twitter that led to his resignation (Ryan). The post was made after a heated moment and lacked better judgment as evidenced by the attempt to delete the entry immediately. To the user’s dismay, several people retweeted and commented on the post showing the immediacy of social media. Using the correct techniques to reach the consumers also presents many barriers for a small business owner when

dealing with consumers. Some users find social media advertising and selling to be intrusive and unacceptable.

OTHER MARKETING TECHNIQUES

Other Marketing Techniques for the Small Business

Inbound Marketing. Technology companies are continually developing new social media sites and online applications in an attempt to become the next Facebook or Twitter. With the internet, social media, and mobile devices, businesses now have the ability to attract prospects and differentiate themselves from large corporate companies which once dominated the marketplace. In a society where the human touch and interaction is important to build a business, outbound marketing practices such as print advertisement, radio commercials, and cold calling are becoming less effective. One reason is because consumers now have the ability to shut out these outbound marketing techniques. As a result, a shift towards inbound marketing techniques has become necessary for small businesses to reach their target markets. At its most basic level, inbound marketing is based on making a business easily accessible; potential consumers have the ability to access a website or other media source through content they find interesting and relevant. These consumers can also opt in to receive more information, which could include newsletters or weekly updates. Like social media, inbound marketing techniques focus narrowly on the target market; in order to attract interest and incite potential consumers to look into the company further.

QR Codes. For a business that is constantly growing and continually looking to improve their marketing strategies, using Quick Response (QR) codes may be a viable option. With technology continually improving, more people now have constant internet access with the high amount of Wi-Fi, 3G, and 4G smart phones available. Using various applications on these smart

phones, including barcode readers, Google Goggles for Android, and Google Search for Apple iOS, consumers can scan the company's QR code from newspaper or any advertising and immediately connect to a specific web address. The web address can consist of an introductory video, download offer, or even a form to submit a contact request. Establishing a QR code system is easy and low cost for the small business owner. Using URL shortening services such as bitly.com, a small business's URL can be shortened and converted into a QR code, which can be copied and pasted onto an advertisement. One key consideration the small business owner must make is ensuring the content on the link is smart phone adaptable. Using Onswipe, an application that formats content for mobile devices, the small business owner can add another dimension to the company's overall marketing strategy (Winterberg).

Introduction to LocalVox. Another major difficulty small businesses face with internet marketing and advertising is gaining exposure and preference on search sites such as Google. One example is with Citibabes, a family-membership club that specializes in preschool and after-school programs. To address the exposure issue, Citibabes teamed up with LocalVox Media, a company which leverages hyperlocal news, websites, search results, and social media to reach existing and potential customers. Developing companies such as LocalVox offer services that allow small businesses to target every marketing channel that influences local consumers online. At a price range of \$200-\$750 per month, outsourcing marketing to developing companies such as LocalVox could be a growing trend for small businesses (Ankeny).

Social Graph, Local Advertising, Mobile Services (SoLoMo)

Introduction to Kapture. For some small businesses, using applications such as Kapture can help increase sales through word-of-mouth. Kapture, a mobile marketing platform, allows businesses to reward their customers with discounts when they share pictures of the company's

products. Kapture is among many startup technology companies that combine the social graph with local advertising and mobile services (SoLoMo). Because of these developing companies, small businesses now have the ability to deliver permission-based incentives to connected customers in exchange for their positive word of mouth. Another problem these companies address is consumers' use of mobile devices for discovery and search. For small businesses that depend on referrals, foot traffic, or out-of-town visitors, it is important to leverage geolocation. What Kapture focuses on is helping these small businesses expand into hyperlocal mobile marketing by identifying the user's location and presenting a list of nearby businesses, each with a call to action. With the introduction of visual social media, such as Instagram and Pinterest, Kapture realized that many social media users took photos of their meals or clothes and shared them with their friends; yet, these users were not rewarded for their positive word-of-mouth. As Kapture's founder states, "All we've done is taken an organic process and added a layer around location and a small thank you for sharing the content" (Anlony). Currently, the application is free for iPhone users and an application is to be expected soon for Android.

Introduction to SidewalkAd. Another SoLoMo company, SidewalkAd, also displays deals from merchants when the user is in the immediate area. With the application consumers can access discounts and immediately redeem savings. The idea originated from the discount signs often seen in front of sandwich shops. By paying a \$40 per month fee, the application provides the small business with unlimited mobile coupons and the flexibility to update their advertisements in real time (Anlony). Once consumers find locations and businesses they prefer, they can opt in to receive updates on sales and discounts, rather than being hassled by irrelevant pop ups. However, the problem that companies like Kapture and SidewalkAd face is that SoLoMo is ahead of the technology curve.

Conclusion

When starting a small business, the owner must take several aspects into consideration when looking at marketing and communication. First, they must realize that developing a business, marketing, and action plan are all necessary in the planning process. Too many companies fail because the business owner jumps right into the process without careful consideration and planning. Today, it is also almost a necessity that the small business creates and follows an IMC model. With the amount of intense competition in the marketplace, having a wide range of marketing and advertising as well as a social media presence is key to bringing in new customers and building long term relationships. In order to portray the company's values, objectives, and overall brand, all forms of marketing and communication must be consistent with one another. Once the IMC model is implemented by the small business, they must also ensure that each decision is made with a specific purpose and objective in mind. When deciding on advertising, the small business owner should consider which source their target market uses the most. Even then, the advertisement should have the creativity and differentiation needed to stand out among the competition. With social media, certain rules and tips should be followed in order to develop an online presence. Similar to advertising, the business should only use the platforms that will benefit the company and reach the target market. If that entails the use of multiple platforms, the business owner should master one before moving on to the next platform. The small business should also be weary that these platforms are not intended for selling. Social media is about building brand awareness and interacting with potential customers. Finally, the small business should always be looking for new opportunities. Year after year, new applications and sites are being developed to make marketing and communication easier. Being up to date as an opinion leader can give a business owner competitive advantages over their competition.

Overall, the key to success is being passionate and loving what you do. Even with a strategic IMC plan for success, it takes hard work, determination, and a passion for the business. With marketing and communication strategies in place, a small business will be destined for success.

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